

Jardines

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DAIRY FARM INTERNATIONAL HOLDINGS LIMITED
Securities and Exchange Commission File No.82-2962

Group Secretariat

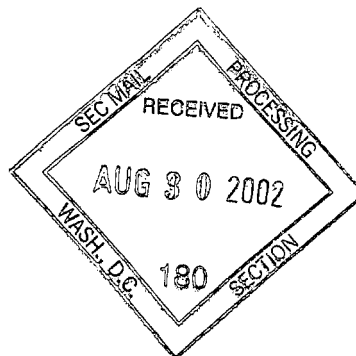
22nd August 2002

Securities and Exchange Commission
Office of International Corporate Finance
Division of Corporate Finance
450 Fifth Street, N.W.
Washington D.C. 20549
U.S.A.

SUPPL



02049739



Dear Sirs

Dairy Farm International Holdings Limited (the "Company")

We enclose for your information the following documents of the Company:-

- (1) A copy of the Interim Report 2002; and
- (2) A notification dated 22nd August 2002 which was lodged with the UK Listing Authority today.

Yours faithfully
JARDINE MATHESON LIMITED

Neil M McNamara
Group Corporate Secretary

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Full Text Announcement

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Dairy Farm International Holdings Ltd
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DAIRY FARM INTERNATIONAL HOLDINGS LIMITED
Securities and Exchange Commission File No.82-2962

DAIRY FARM INTERNATIONAL HOLDINGS LIMITED**INTERIM REPORT 2002**

Dairy Farm International Holdings Limited announces that its Interim Report for the six months ended 30th June 2002 has been posted to shareholders today, Thursday, 22nd August 2002, and is available on the Company's website at www.dairyfarmgroup.com.

A copy of the above report has also been submitted to the UK Listing Authority (the "UKLA"), and will shortly be available for inspection at the UKLA's Document Viewing Facility, which is situated at:

The Financial Services Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
Tel no. (44) 20 7676 1000

Neil M McNamara, Jardine Matheson Limited
For and on behalf of Dairy Farm International Holdings Limited

22nd August 2002

www.dairyfarmgroup.com

END

Close



Our goal is to create long-term shareholder value by satisfying Asian consumers' needs for wholesome fresh foods and lifestyle improving consumer goods.

DAIRY FARM INTERNATIONAL HOLDINGS LIMITED
Securities and Exchange Commission File No.82-2962

惠康 wellcome

Giant



Cold Storage
The fresh food people

FOOD WORLD



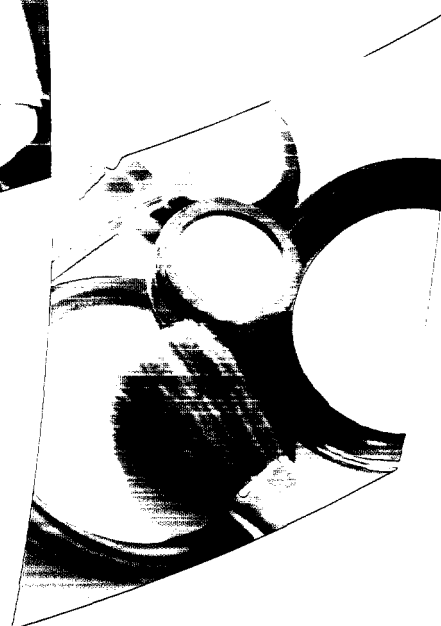
Coffee Concepts (Hong Kong) Limited
is an authorized licensee of Starbucks
Coffee International



萬寧 manning's

guardian

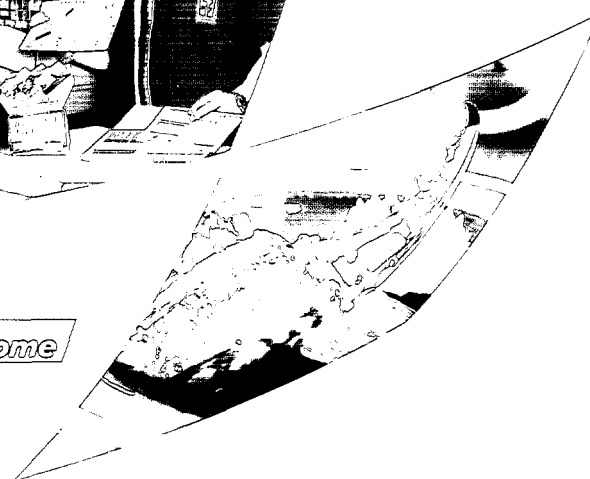
美心 Maxim's



HERO



頂好 Wellcome





Jardines

A member of the Jardine Matheson Group

Dairy Farm is a leading pan-Asian food and drugstore retailer. At 30th June 2002, the Group and its associates operated over 2,160 outlets – principally supermarkets, hypermarkets, convenience stores, drugstores and restaurants – employed some 48,100 people, and had 2001 total sales from ongoing operations of some US\$3.7 billion.

The Group operates under well-known local brands, including:

- Supermarkets – Wellcome in Hong Kong and Taiwan, Cold Storage in Singapore, Giant in Malaysia, Hero in Indonesia and Foodworld in India;
- Hypermarkets – Giant in Malaysia, Singapore and India;
- Drugstores – Mannings in Hong Kong, Guardian in Singapore, Malaysia and Indonesia, and Health and Glow in India; and
- Convenience stores – 7-Eleven in Hong Kong, Southern China and Singapore.

The Group also has a 50% interest in Maxim's, Hong Kong's leading restaurant chain.

Dairy Farm International Holdings Limited is incorporated in Bermuda and has its primary share listing on the London Stock Exchange, and secondary listings on the Singapore and Bermuda stock exchanges. The Group's businesses are managed from Hong Kong by Dairy Farm Management Services Limited through its regional offices. Dairy Farm is a member of the Jardine Matheson Group.

- Good performance in Southeast Asia
- Progress in Hong Kong despite a difficult market
- Improving performance at Maxim's
- Sale of Woolworths New Zealand completed
- 10% share buy-back completed

- Results

Prepared in accordance with IAS (unaudited)			Prepared in accordance with IAS as modified by revaluation of leasehold properties (unaudited)			
Six months ended 30th June			Six months ended 30th June			
Change %	2001 US\$m	2002 US\$m		2002 US\$m	2001 US\$m	Change %
			Sales from continuing operations			
7	1,345	1,435	– subsidiaries	1,435	1,345	7
7	1,772	1,889	– include associates	1,889	1,772	7
100+	6	30	Underlying net profit	30	6	100+
100+	(16)	265	Net profit/(loss)	265	(15)	100+
100+	39	117	Cash flow from operating activities	117	39	100+
1.3%	3.5%	4.8%	Underlying EBITDA to sales	4.8%	3.5%	1.3%
%	US¢	US¢		US¢	US¢	%
100+	0.37	1.91	Underlying earnings per share	1.92	0.38	100+
100+	(0.94)	16.82	Earnings/(loss) per share	16.83	(0.93)	100+
100+	–	1.00	Interim dividend per share	1.00	–	100+

The Group's financial statements are prepared under International Accounting Standards ('IAS') which no longer permit leasehold interests in land to be carried at valuation. This treatment does not reflect the generally accepted accounting practice in the territories in which the Group has significant leasehold interests, nor how management measures the performance of the Group. Accordingly, the Group has presented supplementary financial information prepared in accordance with IAS as modified by the revaluation of leasehold properties in addition to the IAS financial statements. The figures included in the Chairman's Statement are based on this supplementary financial information unless otherwise stated.

OVERVIEW

The completion of the Group's withdrawal from its Australian operations, the sale of Woolworths New Zealand and a successful share repurchase tender offer were the significant developments in the first half of 2002. Dairy Farm is now in a good position to develop its exclusively Asian-based businesses, but the prospects are tempered by the current unsettled economic environment.

PERFORMANCE

Dairy Farm's continuing operations showed substantial improvement in the first half of 2002, with an underlying profit of US\$30 million compared with US\$6 million in the same period in 2001. Sales from continuing operations were US\$1,435 million, an increase of 7% over the prior year. Net profit, including profit on sale of Woolworths New Zealand, was US\$265 million, compared to a loss of US\$15 million last year.

Underlying earnings per share for the six months were US¢1.92, compared to US¢0.38 in 2001. Including the profit on sale of Woolworths, the basic earnings per share were US¢16.83, compared to a loss of US¢0.93 per share in 2001.

In view of the improvement in our underlying businesses, the Board has declared an interim dividend of US¢1.00 per share, payable on 16th October 2002.

CORPORATE DEVELOPMENTS

In April, the Company repurchased 170 million shares representing some ten per cent. of its issued share capital for a total cost of some US\$130 million.

Dairy Farm sold Woolworths, its New Zealand supermarket business, for US\$337 million in June 2002 producing a gain on sale of US\$225 million and a net cash inflow of US\$274 million. Since its acquisition in 1990 Woolworths has operated profitably and continued to expand, but, with the Group's increasing Asian focus, it became peripheral to our primary strategy. This, combined with a premium sale price, led to the decision to sell the business. We are grateful for the professionalism and dedication of the Woolworths' management and staff throughout our ownership, particularly during the sale process.

OPERATIONS

Southeast Asia continued to perform well, with sales increasing 11% and the operating profit up 42% for the half year. Giant in Malaysia made good progress, although the Malaysian Government has announced restrictions on new hypermarkets, the long-term effect of which on our expansion plans remains unclear. Our Singapore business performed exceptionally well, led by strong improvements in supermarkets and Giant hypermarkets.

In North Asia, Mannings and 7-Eleven in Hong Kong produced good results and continue to build on their leading market positions. Wellcome Hong Kong also showed some improvement with a modest increase in sales and further expense reductions. Wellcome Taiwan's profit increased, despite difficult economic conditions, due mainly to cost controls. 7-Eleven in Southern China continued its new store roll-out programme, opening 21 outlets in the first half of 2002 to bring the total store count to 93.

Maxim's, our 50%-owned associate, increased its profit by 24%, largely due to tight cost control and the success of reformatted restaurants. Maxim's continued to expand its Starbucks business in Hong Kong and will open its first Starbucks in Macau and Guangdong Province during the second half of the year.

OUTLOOK

The economic conditions in Asia remain unsettled and our important Hong Kong market continues to be challenging. Nevertheless we enter the second half of the year in good operational condition and with sound finances.

Simon Keswick

Chairman

30th July 2002

Prepared in accordance with IAS (unaudited)				Prepared in accordance with IAS as modified by revaluation of leasehold properties* (unaudited)			
Year ended 31st December	Six months ended 30th June	2002 US\$m	Note		Six months ended 30th June	Year ended 31st December	
2001 US\$m	2001 US\$m	2002 US\$m			2002 US\$m	2001 US\$m	2001 US\$m
4,924.5	2,664.0	1,801.8	3	Sales	1,801.8	2,664.0	4,924.5
(3,592.2)	(1,962.6)	(1,286.7)		Cost of sales	(1,286.7)	(1,962.6)	(3,592.2)
1,332.3	701.4	515.1		Gross margin	515.1	701.4	1,332.3
6.2	2.4	2.8		Other operating income	2.8	2.4	6.2
(1,088.6)	(593.9)	(390.8)		Selling and distribution costs	(390.7)	(593.8)	(1,088.3)
				Administration and other			
(235.0)	(121.1)	(85.2)		operating expenses	(85.2)	(121.1)	(235.0)
–	–	224.6	4 & 10	Net profit on sale of Woolworths	224.6	–	–
17.3	17.3	–	4	Net profit on sale of Sims	–	17.3	17.3
				Net gain on disposal of Franklins'			
37.5	(11.4)	–	4	assets and related costs	–	(11.4)	37.5
				Restructuring costs of			
(6.6)	–	–		Wellcome Delivers	–	–	(6.6)
(12.9)	–	–		Impairment of assets	–	–	(12.9)
50.2	(5.3)	266.5	4	Operating profit/(loss)	266.6	(5.2)	50.5
(35.2)	(14.2)	(4.0)		Net financing charges	(4.0)	(14.2)	(35.2)
				Share of results of associates			
34.0	12.1	15.4	4	and joint ventures	15.4	12.1	34.0
49.0	(7.4)	277.9		Profit/(loss) before tax	278.0	(7.3)	49.3
(19.0)	(7.7)	(12.8)	5	Tax	(12.8)	(7.7)	(19.0)
(0.2)	(0.4)	0.2		Minority interests	0.2	(0.4)	(0.2)
29.8	(15.5)	265.3		Net profit/(loss)	265.4	(15.4)	30.1
US¢	US¢	US¢			US¢	US¢	US¢
			6	Earnings/(loss) per share			
1.80	(0.94)	16.82		– basic and diluted	16.83	(0.93)	1.82
			6	Underlying earnings per share			
2.00	0.37	1.91		– basic and diluted	1.92	0.38	2.02

* The basis of preparation of this supplementary financial information is set out in note 1 on page 8.

Prepared in accordance with IAS At 31st December				Prepared in accordance with IAS as modified by revaluation of leasehold properties* (unaudited) At 30th June				At 31st December		
2001 US\$m	2001 US\$m	2002 US\$m	Note		2002 US\$m	2001 US\$m	2001 US\$m			
NET OPERATING ASSETS										
70.1	68.8	68.4	7	Goodwill	68.4	68.8	70.1			
549.5	688.2	447.0	7	Tangible assets	600.9	840.1	702.2			
40.9	40.2	41.7		Leasehold land payments	—	—	—			
117.0	110.4	123.4		Associates and joint ventures	132.5	119.4	126.0			
7.0	12.4	3.3		Deferred tax assets	3.3	12.4	7.0			
29.6	30.6	29.6		Other non-current assets	29.6	30.6	29.6			
814.1	950.6	713.4		Non-current assets	834.7	1,071.3	934.9			
279.0	382.4	218.8		Stocks	218.8	382.4	279.0			
128.1	116.8	101.9		Debtors and prepayments	101.9	116.8	128.1			
511.0	526.2	596.6		Bank balances	596.6	526.2	511.0			
918.1	1,025.4	917.3		Current assets	917.3	1,025.4	918.1			
(753.2)	(791.3)	(662.6)		Creditors and accruals	(662.6)	(791.3)	(753.2)			
(69.2)	(313.9)	(50.5)		Borrowings	(50.5)	(313.9)	(69.2)			
(9.2)	(7.7)	(9.8)		Current tax liabilities	(9.8)	(7.7)	(9.2)			
(831.6)	(1,112.9)	(722.9)		Current liabilities	(722.9)	(1,112.9)	(831.6)			
86.5	(87.5)	194.4		Net current assets/(liabilities)	194.4	(87.5)	86.5			
(351.6)	(383.0)	(207.6)		Long-term borrowings	(207.6)	(383.0)	(351.6)			
(20.6)	(27.8)	(20.9)		Deferred tax liabilities	(20.9)	(27.8)	(20.6)			
(1.8)	(9.5)	(5.1)		Other non-current liabilities	(5.1)	(9.5)	(1.8)			
526.6	442.8	674.2			795.5	563.5	647.4			
CAPITAL EMPLOYED										
92.0	92.0	82.6	8	Share capital	82.6	92.0	92.0			
149.0	148.9	29.1	8	Share premium	29.1	148.9	149.0			
283.5	198.7	560.7		Revenue and other reserves	682.0	319.4	404.3			
524.5	439.6	672.4		Shareholders' funds	793.7	560.3	645.3			
2.1	3.2	1.8		Minority interests	1.8	3.2	2.1			
526.6	442.8	674.2			795.5	563.5	647.4			

* The basis of preparation of this supplementary financial information is set out in note 1 on page 8.

Prepared in accordance with IAS (unaudited)			Prepared in accordance with IAS as modified by revaluation of leasehold properties* (unaudited)		
Year ended 31st December	Six months ended 30th June			Six months ended 30th June	Year ended 31st December
2001 US\$m	2001 US\$m	2002 US\$m		2002 US\$m	2001 US\$m
454.0	454.0	524.5	At beginning of period	645.3	575.0
			Net exchange translation differences		
(0.8)	3.1	17.1	– amount arising in the period	17.5	2.7
–	–	(2.0)	– disposal of Woolworths	(2.0)	–
35.4	–	–	– disposal of Franklins' assets	–	35.4
			Cash flow hedges		
–	(2.0)	(3.2)	– fair value losses	(3.2)	(2.0)
5.7	–	–	– transfer to consolidated profit and loss account	–	5.7
			Net gains not recognised in consolidated profit and loss account	12.3	0.7
40.3	1.1	11.9	Change in attributable interests	–	0.3
0.3	–	–	Net profit/(loss)	265.4	(15.4)
29.8	(15.5)	265.3	Repurchase of shares	(129.8)	–
–	–	(129.8)	Exercise of share options	0.5	0.1
0.1	–	0.5	At end of period	793.7	560.3
524.5	439.6	672.4			645.3

* The basis of preparation of this supplementary financial information is set out in note 1 on page 8.

Prepared in accordance with IAS (unaudited)			Note	Prepared in accordance with IAS as modified by revaluation of leasehold properties* (unaudited)		
Year ended 31st December	Six months ended 30th June			Six months ended 30th June	Year ended 31st December	
2001 US\$m	2001 US\$m	2002 US\$m		2002 US\$m	2001 US\$m	2001 US\$m
OPERATING ACTIVITIES						
50.2	(5.3)	266.5	4	266.6	(5.2)	50.5
130.2	65.4	52.8		52.7	65.3	129.9
(31.1)	(2.2)	(218.5)		(218.5)	(2.2)	(31.1)
30.2	(12.4)	21.6		21.6	(12.4)	30.2
19.0	13.8	4.0		4.0	13.8	19.0
(54.8)	(28.2)	(8.4)		(8.4)	(28.2)	(54.8)
(12.1)	(4.6)	(9.2)		(9.2)	(4.6)	(12.1)
131.6	26.5	108.8		108.8	26.5	131.6
26.4	12.1	8.4		8.4	12.1	26.4
158.0	38.6	117.2		117.2	38.6	158.0
INVESTING ACTIVITIES						
(126.8)	(53.2)	(59.2)		(59.2)	(53.2)	(126.8)
(11.7)	(5.2)	-		-	(5.2)	(11.7)
(1.0)	-	-		-	-	(1.0)
(5.9)	(0.2)	-		-	(0.2)	(5.9)
27.9	27.0	1.8		1.8	27.0	27.9
-	-	274.1	10	274.1	-	-
53.6	49.9	-		-	49.9	53.6
217.3	(11.4)	-		-	(11.4)	217.3
0.1	0.2	-		-	0.2	0.1
153.5	7.1	216.7		216.7	7.1	153.5
FINANCING ACTIVITIES						
0.1	-	0.5		0.5	-	0.1
-	-	(129.8)		(129.8)	-	-
2.2	-	-		-	-	2.2
292.7	308.7	227.0		227.0	308.7	292.7
(663.9)	(394.3)	(327.9)		(327.9)	(394.3)	(663.9)
(368.9)	(85.6)	(230.2)		(230.2)	(85.6)	(368.9)
(5.5)	(3.0)	2.7		2.7	(3.0)	(5.5)
(62.9)	(42.9)	106.4		106.4	(42.9)	(62.9)
549.6	549.6	486.7		486.7	549.6	549.6
486.7	506.7	593.1		593.1	506.7	486.7

* The basis of preparation of this supplementary financial information is set out in note 1 on page 8.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The unaudited interim condensed financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting.

There have been no changes to the accounting policies described in the 2001 annual financial statements. As in 2001, the Group is required to account for leasehold land in respect of leasehold properties at amortised cost in order to comply with IAS. This treatment does not reflect the generally accepted accounting practice in the territories in which the Group has significant leasehold interests, nor how management measures the performance of the Group. Accordingly, the Group has presented supplementary financial information on pages 4 to 7 prepared in accordance with IAS as modified by the revaluation of leasehold properties.

The comparative figures have been adjusted to conform with the changes in presentation in the current period.

The Group's reportable segments are set out in notes 3 and 4.

2. PROFIT AND CASH FLOW FROM CONTINUING OPERATIONS

	Prepared in accordance with IAS Six months ended 30th June					
	2002			2001		
	Continuing operations US\$m	Discontinuing operations US\$m	Total US\$m	Continuing operations US\$m	Discontinuing operations US\$m	Total US\$m
(a) Profit and Loss Account						
Sales	1,435.1	366.7	1,801.8	1,345.1	1,318.9	2,664.0
Cost of sales	(1,016.0)	(270.7)	(1,286.7)	(956.4)	(1,006.2)	(1,962.6)
Gross margin	419.1	96.0	515.1	388.7	312.7	701.4
Other operating income	2.8	—	2.8	2.4	—	2.4
Selling and distribution costs	(323.9)	(66.9)	(390.8)	(310.2)	(283.7)	(593.9)
Administration and other operating expenses	(72.6)	(12.6)	(85.2)	(77.1)	(44.0)	(121.1)
Net profit on sale of Woolworths	—	224.6	224.6	—	—	—
Net profit on sale of Sims	—	—	—	—	17.3	17.3
Closure costs on disposal of Franklins' assets	—	—	—	—	(11.4)	(11.4)
Operating profit/(loss)	25.4	241.1	266.5	3.8	(9.1)	(5.3)
Net financing charges	(2.5)	(1.5)	(4.0)	(3.9)	(10.3)	(14.2)
Share of results of associates and joint ventures	15.4	—	15.4	12.1	—	12.1
Profit/(loss) before tax	38.3	239.6	277.9	12.0	(19.4)	(7.4)
Tax	(8.4)	(4.4)	(12.8)	(5.4)	(2.3)	(7.7)
Minority interests	0.2	—	0.2	(0.4)	—	(0.4)
Net profit/(loss)	30.1	235.2	265.3	6.2	(21.7)	(15.5)

2. PROFIT AND CASH FLOW FROM CONTINUING OPERATIONS (continued)

Prepared in accordance with IAS
Six months ended 30th June

	2002			2001		
	Continuing operations US\$m	Discontinuing operations US\$m	Total US\$m	Continuing operations US\$m	Discontinuing operations US\$m	Total US\$m
(b) Cash Flow Statement						
Operating activities						
Operating profit/(loss)	25.4	241.1	266.5	3.8	(9.1)	(5.3)
Depreciation and amortisation	42.9	9.9	52.8	43.4	22.0	65.4
Other non-cash items	5.5	(224.0)	(218.5)	3.7	(5.9)	(2.2)
Decrease/(increase) in working capital	38.8	(17.2)	21.6	27.1	(39.5)	(12.4)
Interest received	3.8	0.2	4.0	13.8	—	13.8
Interest and other financing charges paid	(6.7)	(1.7)	(8.4)	(17.7)	(10.5)	(28.2)
Tax paid	(6.7)	(2.5)	(9.2)	(2.0)	(2.6)	(4.6)
	103.0	5.8	108.8	72.1	(45.6)	26.5
Dividends from associates and joint ventures	8.4	—	8.4	12.1	—	12.1
Cash flows from operating activities	111.4	5.8	117.2	84.2	(45.6)	38.6
Investing activities						
Purchase of tangible assets	(51.1)	(8.1)	(59.2)	(40.0)	(13.2)	(53.2)
Purchase of subsidiaries	—	—	—	(5.2)	—	(5.2)
Purchase of joint ventures	—	—	—	(0.2)	—	(0.2)
Sale of tangible assets and leasehold land	0.3	1.5	1.8	25.6	1.4	27.0
Sale of Woolworths	—	274.1	274.1	—	—	—
Sale of Sims	—	—	—	—	49.9	49.9
Closure costs on disposal of Franklins' assets	—	—	—	—	(11.4)	(11.4)
Sale of associates	—	—	—	0.2	—	0.2
Cash flows from investing activities	(50.8)	267.5	216.7	(19.6)	26.7	7.1
Financing activities						
Issue of shares	0.5	—	0.5	—	—	—
Repurchase of shares	(129.8)	—	(129.8)	—	—	—
Drawdown on borrowings	227.0	—	227.0	301.6	7.1	308.7
Repayment of borrowings	(327.9)	—	(327.9)	(394.3)	—	(394.3)
Intercompany transfers	292.7	(292.7)	—	26.5	(26.5)	—
Cash flows from financing activities	62.5	(292.7)	(230.2)	(66.2)	(19.4)	(85.6)
Effect of exchange rate changes	0.9	1.8	2.7	1.5	(4.5)	(3.0)
Net increase/(decrease) in cash and cash equivalents	124.0	(17.6)	106.4	(0.1)	(42.8)	(42.9)
Cash and cash equivalents at beginning of period	469.1	17.6	486.7	484.5	65.1	549.6
Cash and cash equivalents at end of period	593.1	—	593.1	484.4	22.3	506.7

3. SALES

Prepared in accordance with IAS
Six months ended 30th June

2002	2001
US\$m	US\$m

Analysis by geographical area:

Company and subsidiaries

◦ North Asia	963.3	921.6
◦ South Asia	471.8	423.5
	1,435.1	1,345.1

Discontinuing operations

◦ New Zealand	366.7	325.7
◦ Australia	–	961.6
◦ North Asia	–	31.6
	1,801.8	2,664.0

Analysis by business:

Company and subsidiaries

◦ Supermarkets/hypermarkets	940.6	887.3
◦ Convenience stores	268.9	249.3
◦ Drugstores/pharmacies	218.5	200.9
◦ Other	7.1	7.6
	1,435.1	1,345.1

Discontinuing operations

◦ Supermarkets	366.7	1,287.3
◦ Trading	–	31.6
	1,801.8	2,664.0

The Group operates in two regions: North Asia and South Asia. North Asia comprises Hong Kong, Mainland China and Taiwan. South Asia comprises Singapore, Malaysia, Indonesia and India.

4. SEGMENT OPERATING PROFIT/(LOSS) AND SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Prepared in accordance with IAS Six months ended 30th June					
	North Asia US\$m	South Asia US\$m	New Zealand US\$m	Australia US\$m	Support Office US\$m	Total US\$m
Analysis by geographical area:						
2002						
<i>Company and subsidiaries</i>						
Operating results	11.5	19.5	–	–	(5.6)	25.4
Discontinuing operations						
– Operating results	–	–	16.5	–	–	16.5
– Net profit on sale of Woolworths	–	–	224.6	–	–	224.6
Segment operating profit/(loss)	11.5	19.5	241.1	–	(5.6)	266.5
<i>Associates and joint ventures</i>						
Share of operating results	15.7	(0.3)	–	–	–	15.4
	27.2	19.2	241.1	–	(5.6)	281.9
2001						
<i>Company and subsidiaries</i>						
Operating results	(3.9)	13.9	–	–	(6.2)	3.8
Discontinuing operations						
– Operating results	0.2	–	10.4	(25.6)	–	(15.0)
– Net profit on sale of Sims	17.3	–	–	–	–	17.3
– Closure costs on disposal of Franklins' assets	–	–	–	(11.4)	–	(11.4)
Segment operating (loss)/profit	13.6	13.9	10.4	(37.0)	(6.2)	(5.3)
<i>Associates and joint ventures</i>						
Share of operating results	12.4	(0.3)	–	–	–	12.1
	26.0	13.6	10.4	(37.0)	(6.2)	6.8

Associates' results include goodwill amortisation of US\$0.6 million (2001: US\$0.6 million)

	Prepared in accordance with IAS Six months ended 30th June	
	2002 US\$m	2001 US\$m
Analysis by business:		
◦ Supermarkets/hypermarkets	10.1	(7.7)
◦ Convenience stores	7.8	7.0
◦ Drugstores/pharmacies	12.2	9.4
◦ Restaurants	15.1	12.2
◦ Other	1.2	1.2
	46.4	22.1
Support office	(5.6)	(6.2)
	40.8	15.9
Discontinuing operations		
– Operating results	16.5	(15.0)
– Net profit on sale of Woolworths	224.6	—
– Net profit on sale of Sims	—	17.3
– Closure costs on disposal of Franklins' assets	—	(11.4)
	281.9	6.8

5. TAX

Prepared in accordance with IAS
Six months ended 30th June

	2002 US\$m	2001 US\$m
Company and subsidiaries	10.0	5.5
Associates and joint ventures	2.8	2.2
	12.8	7.7

Tax on profits has been calculated at rates of tax prevailing in the territories in which the Group operates. The Group has no tax payable in the United Kingdom (2001: Nil).

6. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share are calculated on net profit of US\$265.3 million (2001: net loss of US\$15.5 million) and on the weighted average number of 1,577.4 million (2001: 1,655.7 million) ordinary shares in issue during the period. The weighted average number excludes the Company's shares held by the Trustee under the Senior Executive Share Incentive Schemes.

The shares held under the Senior Executive Share Incentive Schemes are anti-dilutive and therefore ignored in calculating diluted earnings per share. As a result, earnings per share and diluted earnings per share are the same.

Basic and diluted earnings per share reflecting the revaluation of leasehold properties are also calculated on net profit of US\$265.4 million (2001: net loss of US\$15.4 million) as shown in the supplementary financial information.

Additional basic and diluted earnings per share are calculated based on underlying earnings. The difference between underlying net profit and net profit/(loss) is reconciled as follows:

Six months ended 30th June

	2002 US\$m	2001 US\$m
Net profit/(loss)	265.3	(15.5)
Discontinuing operations (note 2)	(235.2)	21.7
Underlying net profit – IAS basis	30.1	6.2
Additional amortisation of leasehold land payments	0.1	0.1
Underlying net profit – IAS modified basis	30.2	6.3

7. CAPITAL EXPENDITURE AND COMMITMENTS

Six months ended 30th June 2002	Prepared in accordance with IAS	
	Tangible assets US\$m	Goodwill US\$m
Opening net book amount	549.5	70.1
Exchange rate adjustments	19.9	0.6
Additions	36.7	—
Disposals	(108.8)	—
Depreciation/amortisation	(50.3)	(2.3)
Closing net book amount	447.0	68.4
Capital commitments as at 30th June 2002	63.5	—
Capital commitments as at 31st December 2001	81.9	—

8. SHARE CAPITAL AND SHARE PREMIUM

	No. of shares in millions	Prepared in accordance with IAS	
		Share capital US\$m	Share premium US\$m
At 1st January 2002	1,707.6	94.9	194.3
Issued under share incentive schemes	1.6	0.1	1.0
Repurchased and cancelled	(170.1)	(9.5)	(120.3)
At 30th June 2002	1,539.1	85.5	75.0
Outstanding under share incentive schemes	(52.5)	(2.9)	(45.9)
	1,486.6	82.6	29.1

On 8th April 2002, the Company repurchased and cancelled 170.1 million ordinary shares pursuant to a tender offer at the strike price of US\$0.75 per ordinary share for a total cost of US\$129.8 million.

9. ORDINARY DIVIDENDS

There were no dividends paid in respect of 2000 and 2001.

An interim dividend of US¢1.00 per share amounting to a total of US\$14.9 million (2001: Nil) is declared by the Board. This amount will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2002.

10. SALE OF WOOLWORTHS

Prepared in accordance with IAS
Six months ended 30th June
2002
US\$m

Tangible assets	100.8
Other non-current assets	4.9
Current assets	62.3
Current liabilities	(63.3)
Long-term borrowings	(48.9)
Net assets disposed of	55.8
Cumulative translation differences	(2.0)
Net gain on disposal	224.6
Sales proceeds	278.4
Cost on disposal, net of balance of consideration receivable	4.5
Less: Bank balances (net of borrowings)	(8.8)
Net cash inflow on sale	274.1

In June 2002, the Group completed the sale of its 100% interest in Woolworths New Zealand to a third party at a net profit of US\$224.6 million.

DIVIDEND

The interim dividend of US\$1.00 per share will be payable on 16th October 2002 to shareholders on the register of members at the close of business on 23rd August 2002. The ex-dividend date will be on 21st August 2002, and the share registers will be closed from 26th to 30th August 2002, inclusive. Shareholders will receive their dividends in United States Dollars, unless they are registered on the Jersey branch register where they will have the option to elect for Sterling. These shareholders may make new currency elections by notifying the United Kingdom transfer agent in writing by 26th September 2002. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing ten business days prior to the payment date. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

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Press releases and other financial information on the Company can be accessed through the Internet at "www.dairyfarmgroup.com".

	As at 31st December				As at 30th June 2002
	1998	1999	2000	2001	
Hong Kong					
◦ Wellcome	221	233	237	252	253
◦ 7-Eleven	350	380	414	444	456
◦ Mannings	115	146	161	179	181
◦ Maxim's					
Chinese restaurants	64	64	64	62	62
European restaurants	15	14	21	15	13
Fast food/Institutional catering	64	76	93	94	101
Cake shops	127	125	127	128	124
Starbucks	–	–	9	24	29
Other	10	14	10	10	6
India					
◦ Foodworld	–	32	51	71	81
◦ Health and Glow	7	10	19	16	17
Indonesia					
◦ Hero	64	66	71	80	90
◦ Mitra	12	11	8	3	–
◦ Guardian	28	25	38	57	67
◦ Starmart	24	24	26	31	38
Mainland China					
◦ 7-Eleven, Guangzhou and Shenzhen	48	50	50	72	93
◦ Maxim's	14	17	2	3	3
Malaysia					
◦ Giant	–	13	12	16	16
◦ Guardian	59	57	64	80	83
Singapore					
◦ Cold Storage/Jasons	22	33	34	35	36
◦ Giant	–	–	1	2	2
◦ 7-Eleven	89	109	124	156	162
◦ Guardian	52	55	87	93	96
◦ Photofinish/Handifix	29	36	47	44	40
Taiwan					
◦ Wellcome	93	94	104	111	114
Total	1,507	1,684	1,874	2,078	2,163

Note: Including associates and joint ventures and excluding discontinued operations.

DAIRY FARM INTERNATIONAL HOLDINGS LIMITED

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www.dairyfarmgroup.com